

## **REMARKS**

Claims 1-23 are pending in the instant application. Claims 12-23 have been withdrawn under 37 C.F.R. 1.142(b) pursuant to a restriction requirement. Claims 1-11 have been rejected by the Examiner. Claims 1 and 3-6 have been amended. Claims 7-10 have been cancelled without prejudice or disclaimer. The Applicants submit that claims 1-6 and 11 are in condition for allowance and respectfully request reconsideration and withdrawal of the outstanding rejections. No new matter has been entered.

### **Support for the Amendments**

Support for the amendment to claim 1 may be found throughout the Applicants' specification, drawings, and claims as originally filed. In particular, support may be found, e.g., on page 18 line 12 through page 19 line 2 and Figure 4.

Claims 7-10 have been cancelled and their respective features incorporated into newly amended claims 3-6.

Claims 3-6 have also been amended to clarify the sequence of mitigation activities recited therein. Support for these amendments may be found, e.g., in Figure 4 and corresponding description.

No new matter has been entered by these amendments.

### **Claim Rejections Under 35 USC §103**

Claims 1-8 and 10 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,226,561 to Tamaki et al. (hereinafter "Tamaki") in view of U.S. Patent No. 6,041,267 to Dangat et al. (hereinafter "Dangat") and further in view of Official Notice. Additionally, claims 9 and 11 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Tamaki in view of U.S. Patent No. 6,167,380 to Kennedy, et al. (hereinafter "Kennedy") and Official Notice. Claims 7-10 have been cancelled. The Applicants traverse the rejections of claims 1-6 and 11 and submit that claims 1-6 and 11 are in condition for allowance.

Claim 1 has been amended to recite, *inter alia*, “reducing supply liability for the excess component inventory liability or the constraint in supply capability for an end product using a time-phased approach that begins at 100 percent liability assessment and includes a series of mitigation activities performed over time until the supply liability reaches a specified percentage level, the time-phased approach including a procurement and development assessment sub-process, a liability council assessment sub-process, a sales activities sub-process, and a liability write off sub-process.”

Neither Tamaki, nor Dangat teaches, suggests, or renders obvious these features. In particular, both Tamaki and Dangat are devoid of teaching or suggesting a time-phased approach that includes a series of mitigation activities performed over time until the supply liability reaches a specified percentage level, as recited in claim 1. Tamaki discloses a system for handling/reducing excess parts (Abstract; Summary) but fails to disclose the time-phased approach recited in Applicants’ claim 1. Dangat discloses a production planning system that matches assets with demand (column 5, lines 7-50) but fails to disclose the time-phased approach recited in Applicants’ claim 1. For at least this reason, claim 1 is patentable over the cited references, alone and in combination.

Claims 2-6 and 11 depend from what should be an allowable base claim. The Applicants submit that claims 2-6 and 11 are patentable over the references for at least reasons of dependency. In addition, the Applicants submit that none of Tamaki, Dangat, and Kennedy teaches, suggests, or renders obvious these features.

Claims 3-6 have been amended to include the features recited in what are now cancelled claims 7-10, respectively.

Claim 3 has been amended to recite, *inter alia*, “the procurement and development assessment sub-process mitigation activities including:

rebalancing demand and supply by shifting demand or supply from one geography to another;

selling components back to vendors;

negotiating with vendors to eliminate or reduce liability based upon mutually agreed to incentives that provide incremental value to both parties;

using excess components as field parts in support of a warranty program or servicing requirements;

qualifying excess components in new products; and

adjusting said sales forecast to account for excess or constrained components.” None of Tamaki, Dangat and Kennedy teaches or suggests each and every feature recited in claim 3.

Claim 4 has been amended to recite, *inter alia*, “the liability council assessment sub-process mitigation activities including:

updating said sales forecast to account for excess or constrained components;

conducting squared sets analysis;

brokering components or products that are no longer saleable;

creating saleable bundles with other current offerings;

developing option packages;

determining alternative routes to market; and

making liability write-off determinations.” None of Tamaki, Dangat and Kennedy teaches or suggests ***each and every*** feature recited in claim 4.

Claim 5 has been amended to recite, *inter alia*, “the sales activities sub-process mitigation activities including:

developing a promotion for long-term over supply through advertisements and communications media;

offering a solution via alternate routes to market;

authorizing pricing actions comprising at least one of:

price decreases;

discount incentives; and

pricing delegations;

establishing incentives for buying or selling;

reassessing commission structures for an offering; and

updating telesales team scripts for inbound and outbound telephone calls.” None of Tamaki, Dangat and Kennedy teaches or suggests ***each and every*** feature recited in claim 5.

Claim 6 has been amended to recite, *inter alia*, “the liability write off sub-process mitigation activities including:

negotiating with a vendor; and

scrapping components associated with said liability.” None of Tamaki, Dangat and Kennedy teaches or suggests ***each and every*** feature recited in claim 6.

In addition, the Examiner relies upon Official Notice regarding sequencing of the steps of the sub-processes recited in claims 3-6. The Applicants have amended claims 4 and 5 to clarify the nature and results of the claimed sequence of mitigation activities. In particular, claim 4 has been amended to recite, *inter alia*, “the liability council assessment sub-process mitigation activities implemented in response to receiving information concerning issues due to unresolved mitigation activities performed via the procurement and development assessment sub-process mitigation activities.” Claim 5 has been amended to recite, *inter alia*, “the sales activities sub-process mitigation activities implemented in response to receiving sales recommendations resulting from the liability council assessment sub-process.” As amended, the sequence of the processes recited in claims 3-6 provide support for new and unexpected results, particularly in conjunction with the features of claim 1 relating to the time-phased approach for these sub-processes. Thus, the Applicants submit that the rejections under Official Notice are now moot.



## **CONCLUSION**

It is believed that the foregoing remarks fully comply with the Office Action and that the claims herein should now be allowable to Applicants. Accordingly, reconsideration and allowance is requested. It is submitted that the foregoing amendments and remarks should render the case in condition for allowance.

Accordingly, as the cited references neither anticipate nor render obvious that which the Applicants deem to be the invention, it is respectfully requested that claims 1-6 and 11 be passed to issue.

If there are any additional charges with respect to this Amendment, or otherwise, please charge them to Deposit Account No. 50-0510.

Respectfully submitted,

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